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STATE OF HAWAII
STATE PROCUREMENT OFFICE

December 10, 2003

PROCUREMENT CIRCULAR NO. 2003-09

TO: All Executive Department Heads

FROM: Aaron S. Fujioka, Administrator

SUBJECT: Interisland Airline Ticketing
SPO Price List No. 01-02
(IFB-00-145-OHMK)

Panda Travel was notified that the State is exercising its option to terminate the interisland airline ticketing contract, PL 01-02, effective January 18, 2004. The elimination of government fares and discounted prepaid coupons, limited flights, increased restrictions, and market instability make the contract ineffective. The termination does not affect PL 02-18, Comprehensive Travel Related Services, which include out-of-state travel, interisland hotel and car rental arrangements.

I have approved an exemption (attached) from Chapter 103D, HRS, for the period of January 18, 2004 to December 31, 2004 for all executive departments (excluding DOE, OHA, and UH). The exemption from procurement provides departments with more control over interisland air travel expenditures and in meeting their requirements during the airlines' volatile period. As an alternative, departments may utilize travel agencies or directly purchase from interisland carriers. We advise departments to obtain and use procurement cards (pCards) for purchasing interisland tickets. In most situations the interisland carriers will not accept a purchase order as a form of payment.

The State Procurement Office will continue to monitor business conditions and marketing trends of interisland passenger carriers to determine if a solicitation of bids is warranted.

If you have any questions, please call me at 587-4700 or have your staff call Bonnie Kahakui at 587-4702.

cc: Chief Procurement Officers
University of Hawaii

Attachment: Approved SPO Form 7

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STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: State Procurement Office, For All Executive Departments (Excludes DOE and OHA)
 (Department/Division/Agency)

Pursuant to § 103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

Interisland airline ticketing

Name of Vendor:

Address: All interisland airline passenger carriers

Cost:

As determined by
market conditions

Term of Contract:

From: 1/18/04

To: 1/18/05 *

12/31/04

*unless terminated earlier

Prior Exemption Ref. No. (if applicable)

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

Hawaiian and Aloha Airlines have discontinued all government and prepaid (coupon) discount fares. There is no advantage to the State to procure interisland tickets by competitive means, as published fares, which are pre-determined by the airlines, is the only option available to travelers. In addition, it is necessary to have the flexibility of being able to use any commercial passenger carrier to effectively accommodate the State's travel requirement.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

As an alternative, departments may contract with one or more travel agencies to provide services or directly purchase tickets from the interisland carriers. We strongly recommend agencies obtain and use procurement cards (pCards) for purchasing interisland tickets.

A description of the agency's internal controls and approval requirements for the exempted procurement:

Reference each department's procurement delegation authority and internal controls.

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:

As determined by each department.

Direct questions to:


Bonnie Kahakui, Travel Administrator

Phone Number:

587-4702

This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes ☐ No ☒

**I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE,
TRUE AND CORRECT.**



Department Head or Designee
Procurement Officer
11/14/03
Date
Title (If other than Department Head)

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

☒ APPROVED

☐ DISAPPROVED


Chief Procurement Officer

11/25/03
Date

cc: Administrator,
State Procurement Office